

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re: ) Chapter 11  
)  
W. R. GRACE & CO., et al.,<sup>1</sup> ) Case No. 01-01139 (JJF)  
) (Jointly Administered)  
Debtors. )

**ORDER AUTHORIZING THE RETENTION AND EMPLOYMENT  
OF STEPTOE & JOHNSON LLP AS SPECIAL TAX COUNSEL FOR THE DEBTORS**

Upon the application (the "Application") of the above-captioned debtors and debtors in possession (collectively, the "Debtors") seeking the entry of an order under section 327(e) and 330 of title 11 of the United States Code (as amended, the "Bankruptcy Code") authorizing the Debtors to employ and retain Steptoe & Johnson LLP ("Steptoe") as special tax counsel for the Debtors with respect to the specified matters set forth in the Application; and

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<sup>1</sup> The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

upon the Affidavit of Anne E. Moran submitted in support of the Application; and it appearing that the relief requested in the Application is in the best interest of the Debtors' estates and their creditors and other parties in interest; and it appearing that this is a core proceeding under 28 U.S.C. § 157; and it appearing that Steptoe does not represent any interest adverse to the Debtors or their estates with respect to the matters for which Steptoe is to be employed; and that Steptoe meets all requirements for retention set forth in the Bankruptcy Code; and it appearing that the terms and conditions of Steptoe's employment as further described in the Application are reasonable; and adequate notice having been given of the Application; and good and sufficient cause existing to grant the Application;

**NOW, THEREFORE, IT IS HEREBY:**

ORDERED, that the Application is GRANTED; and it is further

ORDERED that pursuant to sections 327(e) and 330 of the Bankruptcy Code, the retention and employment of Steptoe as special tax counsel for the Debtors for the purposes set forth in the Application is hereby approved; and it is further

ORDERED that Steptoe shall be compensated under sections 330 and 331 of the Bankruptcy Code and any further Orders of this Court concerning compensation of professionals in these cases, and in accordance with the terms set forth in the Application and the Affidavit of Anne E. Moran in support of the Application, and shall be reimbursed for all postpetition allowed necessary, actual and reasonable expenses; and it is further

ORDERED that the allowed postpetition fees and expenses of Steptoe shall be administrative expenses of the Debtors' estates; and it is further

*none protest  
to July 1, 2001,*

ORDERED that this Order shall become effective immediately upon its entry; and

it is further *Ordered that Skiptoe shall not be paid pursuant to the 5/3/01 Order authorizing Debtors to pay professionals* ORDERED that the Debtors are authorized and empowered to take all actions and

execute such other documents as may be necessary to implement the relief granted herein; and it

is further

ORDERED that this Court shall retain jurisdiction to hear and determine all

matters arising from the implementation of this order.

Dated: 1/29, 2002

*JK Fitzgerald*  
The Honorable Joseph J. Farnan, Jr.

*utilized by Debtors  
④ in the ordinary course  
of business but  
shall submit fee  
applications according  
to the Administrative  
Order, for all postpetition  
fees + expenses. The  
\$50,000 paid in <sup>or for</sup> July, 2001  
shall be credited  
against the fees  
awarded upon proper  
applications; and it is  
further*